



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

December 30, 2005

Ken Sagar, Treasurer
Iowa Democratic Party
5661 Fleur Drive
Des Moines, IA 50321

Response Due Date:
January 30, 2006

Identification Number: C00035600

Reference: July Monthly Report (6/1/05-6/30/05)

Dear Mr. Sagar:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-The totals listed on Lines 11(a)(i) and 11(a)(ii), Column B of the Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Schedule A of your report discloses an aggregate year-to-date total(s) for a contribution(s) received from Steve Wilson which appears to be incorrect. Please amend your report to provide the correct aggregate year-to-date total(s).

-Your May Monthly Report (4/1/05-4/30/05), June Monthly Report (5/1/05-5/31/05) and July Monthly Report (6/1/05-6/30/05) disclosed **limited** payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, **rent**, utilities, salaries, telephone service, office equipment and supplies. Each state, district or local party committee utilizing separate federal and non-federal accounts is required to allocate

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any administrative expenses (excluding salary) between the accounts according to a fixed percentage selected on Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X filed at the beginning of each calendar year. Payments for salary and wages for employees who spend more than 25% of their compensated time on Federal election activities or on activities in connection with a Federal election must be made from a federal account and disclosed on a Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §106.7

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be provided during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

-Please clarify all expenditures made for "Programs for FR Event, Invitations for Fundraising Event, Catering for FR Event, and Postage for a Fundraising Event" on Schedule B. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Transfers to Affiliated Committees (Iowa Democratic Party - State Fund) should be properly disclosed on a separate Schedule B, supporting Line 22 (not Line 29) of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

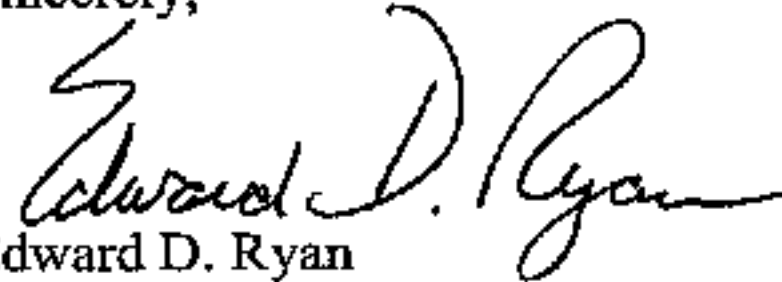
Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for**

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extensions of time in which to respond will not be considered. Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1144.

Sincerely,



Edward D. Ryan
Campaign Finance Analyst
Reports Analysis Division

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